GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Chit Fund Act, 1982 – Appeal Petition filed by Sri Kommanaboina Srinivasa Yadav, S/o. Venkateswarlu, Guntur Dist., against the award passed in Dispute No. 108/2017, dated 06.11.2018 by the Deputy Registrar of Chits, Narasaraopet – Appeal Rejected as time barred – CRP No.1104/2019 filed by Sri Kommanaboina Srinivasa Yadav – Hon'ble A.P.High Court Orders - Affidavit filed – Orders - Issued.

REVENUE (REGN.II) DEPARTMENT

G.O.RT.No. 1428 Dated: 05-12-2019

Read the following:-

1.Appeal Petition filed by Kommanaboina Srinivas, S/o. Venkateswarlu, through counsel Sri P Srinivas Rao, Advocate, Guntur.
2.Issued as Govt. Letter No. REV.01-REGSOACTS(CHIT)/10/2019 Reg.II, Dt.15.03.2019.
3.From the APHC final orders dated 5.7.2019 in C.R.P.No.1104/2019.
4.Affidavit filed by Sri Kommanaboina Srinivas dated 19.10.2019
5.Govt.Lr. No. REV.01-REGSOACTS (CHIT)/10/2019 Reg.II, Dated 19.11.2019.

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ORDER:-

Sri Kommanaboina Srinivas, S/o. Venkateswarlu, Guntur has filed an Appeal Petition under Section 70 of the Chit Fund Act, 1982 against the award in Dispute No.108/2017 dt.06.11.2018 passed by the Deputy Registrar of Chits, Narasaraopet.

2. Brief facts of the case is as follows:-

(i) The appellant herein has joined the Chit Fund Company as a subscriber in a Chit Group No.BPLF-01 for a value of Rs.15,00,000/- which is payable at the rate of Rs.30,000/- per month for a period of 50 months and the appellant has participated in the chit auction held on 20.10.2015 and became successful bidder having agreed to forego an amount of Rs.2,00,000/- out of chit value of Rs.15,00,000/- and after declaring as successful bidder, the appellant submitted 2 to 4 as guarantors, who executed an agreement of guarantee and also executed demand promissory note and other necessary documents in favour of Respondent No.1 (Chit Fund Company) and the company has paid the prize amount. The appellant paid only 37 installments and thereafter committed default in paying the 38th installment. The 1st respondent filed a dispute application before the Deputy Registrar of Chits, Narasaraopeta and the same was numbered as Dispute No.108/2017. The Deputy Registrar of Chits, Narasaraopet sent notices to 1-4 respondents herein to appear before the Arbitrator/Dy. Registrar of Chits. Notices served on the respondents 2 to 4 by Regd. Post and called absent set exparte on 21.10.2017. The Deputy Registrar of Chits, Narasaraopet passed award in Dispute No.108/2017 dated 06.11.2018 in favour of the Respondent No.1 herein ordering that the company is entitled to recover a sum of Rs 4,45,000/- jointly and severally from opponents 1 to 4 together with interest at the rate of 18% per annum on the principal amount of Rs.3,90,000/- from the date of filing of claim petition to till the date of realization and also Rs.14,249/- towards costs of the dispute.

(ii) Aggrieved by the above said award, the appellant filed an appeal vide reference 1st read above.

3. In the reference 2nd read above, Government have rejected the appeal as time barred.

4. In the reference 3rd read above, the Hon'ble A.P.High Court in its orders dated 5.7.2019 in C.R.P. No. 1104/2019 held that:

[P.T.O.]

"Having regard to the facts and submissions, the civil revision petition is allowed and the order/letter impugned, whereby the 1st respondent (here Govt.) informed the revision petitioner – appellant that his appeal has been rejected, is set aside and the 1st respondent (here Govt.) is directed to take up the application for condonation of delay filed along with the appeal and dispose of the same, in strict accordance with the procedure established by law, however, as expeditiously as possible preferably within two months from the date of receipt of a copy of this order.

It is made clear that the interim order staying the operation of the award shall continue till the disposal, as indicated supra, of the application for condonation of delay, which is said to have been already filed along with the appeal, or till the disposal of the appeal, in the event the said application for condonation of delay stands allowed on its merit."

5. In the reference 4th read above, the appellant/petitioner herein has filed affidavit duly submitting a copy of the Hon'ble A.P.High Court orders dated 5.7.2019 in C.R.P. No.1104/2019 and requested to dispose the appeal in the light of the Hon'ble High Court orders dated 5.7.2019 in C.R.P.No. 1104/2019 pending disposal of the above appeal.

6. In the reference 5th read above, the Government posted the case for hearing on 04.12.2019 at 11.00 A.M.

7. The counsel for the appellant and the counsel for the respondent have attended the hearing on 04.12.2019.

8. Government after careful examination of the material available on record and in pursuance of the orders of the Hon'ble High Court of A.P. allowed the appeal partly and the order passed by the Deputy Registrar of Chits, Narasaraopet is hereby modified. The appellant herein who is the Opponent No.1 and his guarantors who are the other opponents in Dispute No.108/2017 on the file of Deputy Registrar of Chits, Narasaraopet are hereby directed to pay the Award amount of Rs.3,90,000/- duly reducing the interest @ 12% per annum from the date of filing of the dispute i.e.,26.5.2017 along with costs of the dispute @ Rs.14,249/- jointly and severally within 3 months i.e., by 05.03.2020. The amounts already paid if any, shall be deducted in the said amount. In default, the Respondent No.1 (Chit Fund Company) who is the disputant in Dispute No.108/2017 is at liberty to proceed as per Chit Fund Act, 1982 to recover the award amount as decreed by Deputy Registrar of Chits, Narasaraopet in Dispute No.108/2017 after 05.03.2020 from the opponents.

9. In exercise of the powers conferred under Section 70 of the Chit Fund Act, 1982, the Government is hereby allowed the appeal of the appellant being common understanding of both the parties and disposed of accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Dr.D.SAMBASIVA RAO
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To

1. The Dy. Registrar of Chits, Narsaraopet, Guntur Dist.
2. M/s. Shriram Chits (P) Ltd., Bapatla Branch, **through** the Dy. Registrar of Chits, Narsaraopet, Guntur Dist.
3. Sri Kommanaboina Srinivas, S/o. Venkateswarlu, Occ. Store Officer, ACT Internet, Arandalpet, Guntur Dist., through the Dy. Registrar of Chits, Guntur Dist.
4. Sri Bontha Subba Rao, S/o. Sambaiah, Panchayat Secretary, Returu Gram Panchayat, Kakumanu, Guntur R/o. Sri Venkata Nagar, Opp: Auto Nagar, Epurapalem through the Dy. Registrar of Chits, Narsaraopet, Guntur Dist.
5. Sri Gantala Veeranjaneyulu, S/o. Ramaswamy, MPDO, Duggirala, Guntur R/o. D.No. 5-45, RMS Colony, Tadepalli, Guntur Dist., through the Dy. Registrar of Chits, Narsaraopet, Guntur Dist.

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6. Sri Pulugu Rambabu Reddy, S/o. Bramhananda Reddy, Panchayat Secretary, West Bapatla, Guntur R/o. D.No. 3/262/2, Vijaya Lakshmi Puram, Bapatla, Guntur dist., through the Dy. Registrar of Chits, Narsaraopet, Guntur Dist.
7. Sri P.Srinivasa Rao, Advocate, Villa C-4, Raintree Villas, Namburu, Opp: Nagarjuna University, Guntur Dist., through the Dy. Registrar of Chits, Narsaraopet, Guntur Dist.
8. The C&IG, R&S & Registrar of Chits, AP, Vijayawada.
9. The PS to Spl.C.S. to Govt., Revenue (Regn) Department.
10. SF/SC.